



State of Utah

Department of Natural Resources

ROBERT L. MORGAN
Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 30, 2004

Alex Boulton
Brush Resources, Inc.
P.O. Box 815
Delta, Utah 84624

Subject: Partial Release of Surety, Brush Resources, Inc., Hogsback Project,
M/023/053, Juab County, Utah

Dear Mr. Boulton:

On January 23, 2004, we received your annual report wherein you stated that reclamation of your 18 acres of disturbance was completed. You requested release of the site and your surety bond. Before we could entertain your request, a site inspection needed to be performed, which was done on May 3, 2004 (copy of inspection report attached).

The inspection revealed that the site has been adequately regraded and seeded. However, the rules state that a site must survive three growing seasons following the last major seeding and attain 70% revegetation success before full release of the site can be granted.

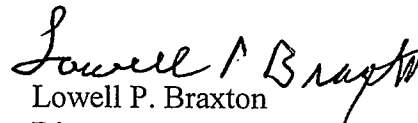
Therefore, the Division is willing to allow partial release of the existing \$47,600 surety and only retain an amount sufficient to cover the revegetation. Therefore, you may provide a rider to the existing Travelers Casualty surety bond reducing the bond amount to a new total of \$7,700 (estimate attached). No other paperwork would be required to accomplish this.

If you wish to post another form of surety for the revegetation amount, we could fully release the Travelers surety bond after the Division Director approved of the new form of surety. If you choose another form of surety, a new Reclamation Contract would be required to be submitted which is directly tied to the surety.

Alex Boulton
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Thank you for your efforts in completing the regrading work at this site. If you have any questions or concerns regarding this letter, please contact Daron Haddock at (801) 538-5325 or Tom Munson at 538-5321. In reply please reference our file number M/023/053.

Sincerely,


Lowell P. Braxton
Director

LPB:DRH:TM:jb
Attachment: 5/3/04 inspection report, cost estimate
O:\M023-Juab\M0230053-Hogsback-brush\final\partialial-release-08302004.doc

RECLAMATION SURETY ESTIMATE

Brush Resources, Inc.

last revision

Mar. 30, 2001

Hogs Back Project

filename M023-053.xls

DOGM file Number M/023/053

Juab County

Prepared by Utah State Division of Oil, Gas & Mining

Final reclamation of this site took place in 2003, this bond amount listed below being held for revegetation success only.

Note: actual unit costs may vary according to site conditions

last unit cost update

10/07/02

-Amount of disturbed area which will receive reclamation treatments =

8 acres

-Estimated total disturbed area for this mine =

8 acres

Activity	Quantity	Units	\$/unit	\$	Note
Ripping prior to seeding	8 acre		246	1968	(9)
Broadcast seeding	8 acre		240	1920	(00)
Equipment mobilization	1 equip		2000	2000	(00)
Reclamation supervision -10% of reclamation estimate				589	(15)
	Subtotal			6477	
10% Contingency				648	
	Subtotal			7125	
Escalate for 3 years at 2.59% per year				568	
	Total			7693	

Rounded surety amount in year 2007 \$

7700

Average cost per disturber acre =

962